

ATTACHMENT E

Elements of a Contractor Team Arrangement (CTA) Document

SOURCE: [GSA WEBSITE](#)

CTA documents are developed by the team members themselves and will vary from one CTA document to another. While not all-inclusive, the following CTA elements are areas that are typically of interest to the government. GSA strongly encourages the submission of the CTA document in response to a Request for Quotation (RFQ) so that an ordering activity may gain an understanding of how the arrangement will work, and may identify any areas of responsibility that may require clarification.

- Identification of Parties

The CTA document should always be put in writing and signed by each participating GSA Schedule contractor.

Each member of the CTA should be identified by name, address, GSA Schedule contract number, telephone number, and Point of Contact (POC). The CTA document should also state the name, identity, and POC for the team lead.

The name and address of the government contracting agency should be included and the primary points of contact at the government for specific needs should be identified.

The CTA document should state that it is solely between the team members and cannot conflict with the terms and conditions of each team member's GSA Schedule contract.

- Specific Team Activities

The CTA document should state the various types of activities that will be incorporated into the team arrangement and who is the primary party responsible for the particular activity.

- Duration of Arrangement

The duration of the team arrangement should be specified, including any options and how the options will work.

- Terms of Arrangement

The terms of the CTA should define the whole course of the project. The CTA document should specify the duration, the players, the responsibilities, and the limitations of the various players.

- Team Ordering Procedures

The CTA document should list the supplies/services and pricing, including any team lead fees, if applicable, and note that all prices charged to the government are at or below GSA Schedule contract prices.

- List of Open Market Items

The wide range of supplies and services offered by more than 15,000 GSA Schedule contractors should make the need for open market items minimal. Should open market items be required, however, all such items must be clearly identified as "open market" items, in accordance with Federal Acquisition Regulation (FAR) 8.402(f).

- Responsibilities of Team Lead

The CTA document should outline and specify the duties of the designated team lead at each phase of the project.

- Responsibilities of Team Members

The CTA document should specify and describe the individual duties of the team members.

- Pricing and Costs

The CTA document should specify unit prices or hourly rates and how pricing is calculated. If there is a project management fee divided within the team, it should be specified. If there are any award or incentive fees, the CTA document should explain how they will be divided within the team.

- Independent Contractors

The CTA document should state that all team members remain independent contractors, responsible for their own employees.

- Delivery Responsibility

The CTA document should state whether the team lead or each team member is responsible for a particular part of the project, so that delivery responsibility is clearly established.

- Invoicing and Payment

The CTA document should designate who is responsible for invoicing and payment. While the team lead may submit an invoice on behalf of all team members, GSA recommends that payment be made to each team member. GSA recognizes, however, that there may be instances where it is advantageous to craft the CTA document so that payment is made to the team lead who, in turn, pays each team member. Under such circumstances, the CTA document should clearly indicate that all team members agree to this method of payment. The CTA document should also acknowledge that any dispute involving the distribution of payment between the team lead and the team members will be resolved *by the team members*, without any involvement by the government.

GSA is in the process of developing a clause in which each team member agrees that payment will be made to the team lead, who will then distribute payment to each team member. The clause will also indicate that each team member agrees that, in the case of a dispute involving the distribution of payment between the team lead and the team members, the dispute will be resolved by the team, not the government.

- Reporting of Sales and Industrial Funding Fee (IFF) Payment Responsibility

The CTA document should specify that each contractor is responsible for reporting its own sales under its Schedule contract and paying the related IFF to GSA. Each team member will track sales all the way through the system by contract number to respond to the IFF reporting requirements.

- Warranties

The CTA document should designate who is responsible for resolving such warranty issues as who should the government contact and when; who will come in and correct the problem; and how will compensation be made within the team.

- Liabilities

The CTA document should address each team member's responsibilities and performance requirements so that liability is clearly established.

- Confidential Information

The CTA document should identify any proprietary information and specify how such information will be handled.

- Replacement of Team Members

The CTA document should address the circumstances and procedures for replacement of team members, including the team lead. The CTA document should also state that the team shall obtain the approval of the government prior to replacing any team members.

- Legal Relationship

The CTA document should not create a joint venture or separate subsidiary.

FREQUENTLY ASKED QUESTIONS

Contractor Team Arrangements

Source: [GSA WEBSITE](#)

1. What is a GSA Schedule Contractor Team Arrangement (CTA)?
A GSA Schedule Contractor Team Arrangement (CTA) is an arrangement between two or more GSA Schedule contractors to work together to meet agency requirements. The CTA document is a written agreement between team members detailing the responsibilities of each team member. The CTA allows the contractor to meet the government agency needs by providing a total solution that combines the supplies and/or services from the team members' separate GSA Schedule contracts. It permits contractors to complement each other's capabilities to compete for orders for which they may not independently qualify. A customer benefits from a CTA by buying a solution rather than making separate buys from various contractors.
2. What are the benefits of a GSA Schedule Contractor Team Arrangement (CTA)?
 - Satisfies the customer with a single solution;
 - Increases competitive edge;
 - Increases market share;
 - Increases visibility;
 - Focuses on core capabilities;
 - Obtains complementary capabilities;
 - Integrates different skills;
 - Offers additional opportunities with customers;
 - Builds direct relationships with customers;
 - Maximizes use of one or more GSA Schedule solutions;
 - Shares risks and rewards;
 - Allows more opportunities for small and small disadvantage businesses; and
 - Reduces the number of items Schedule contractors need to carry on their Schedule contracts, thus reducing inventory and tracking costs.
3. How do GSA Schedule Contractor Team Arrangements (CTAs) differ from Prime Contractor/Subcontractor Arrangements under Schedule contracts?
In prime/sub arrangements, the relationship is very tightly defined and controlled by the prime contractor; whereas in CTAs, the roles and responsibilities are defined by the team, as accepted by the government. The following chart summarizes key differences:

Contractor Team Arrangement (CTA)	Prime Contractor/Subcontractor Arrangement
Each team member must have a GSA Schedule contract.	Only the prime contractor must have a GSA Schedule contract.

Contractor Team Arrangement (CTA)	Prime Contractor/Subcontractor Arrangement
Each team member is responsible for duties addressed in the CTA document.	The prime contractor cannot delegate responsibility for performance to subcontractors.
Each team member has privity of contract with the government and can interact directly with the government.	Only the prime contractor has privity of contract with the government and can interact with the government. The prime contractor is responsible for its subcontracting activities. (Ordering activities are encouraged to specify in the Request for Quotation (RFQ) that the use of subcontractors requires prior approval by the ordering activities.)
The ordering activity is invoiced at each team member's unit prices or hourly rates as agreed in the task or delivery order or GSA Schedule BPA.	The ordering activity is invoiced in accordance with the prime contractor's GSA Schedule contract, including any applicable price reductions.
Total solutions, otherwise impossible under individual GSA Schedule contracts, can be put together quickly and easily.	The prime contractor is limited to the supplies and/or services awarded on its GSA Schedule contract.

4. How can an ordering activity ensure that the responses it receives to its Request For Quotation (RFQ) are, in fact, Contractor Team Arrangements (CTAs) and not simply Prime Contractor/Subcontractor Arrangements under Schedule contracts?
GSA strongly recommends that an ordering activity's RFQ indicates that all CTAs must be specifically identified as such and that the CTA document be submitted to the government as part of the quotation in response to the RFQ. Do not be confused, for example, by a "Team ABC" response; the response should clearly identify that the GSA Schedule contractors are proposing a "Contractor Team Arrangement." The CTA should designate all team members, their corresponding GSA Schedule contract numbers, and describe the tasks to be performed by each team member, along with the associated proposed prices (e.g., unit prices, labor categories, and hourly rates). If applicable, the team lead should also be identified, as should the individual team members responsible for delivery, warranty, and other issues. The ordering activity should then be able to verify that any proposed unit prices or hourly rates do not exceed the prices awarded under each team member's GSA Schedule contract and avoid any misunderstandings regarding each team member's responsibilities and prices.
5. Where can I find information on other GSA Schedule contractors who may want to team?
Please visit [Schedules e-Library](#) to find GSA Schedule contractors who match the supply or service criteria.
6. If my company has a Consolidated (formerly Corporate Contracts) Schedule contract or is on multiple GSA Schedules, can I team with myself?

A contractor holding multiple GSA Schedule contracts may offer a solution that crosses those contracts. Such a solution would not be considered a Contractor Team Arrangement (CTA).

7. When should GSA Schedule Contractor Team Arrangements (CTAs) be set up?
GSA Schedule contractors may establish a CTA in advance of any known requirement or after requirements are defined and the Request for Quotation (RFQ) issued. Having an on-the-shelf team arrangement for non-complex buys will allow the contractors to respond quickly and easily when requirements emerge. For highly complex buys, a customized CTA may be required. In either case, the CTA should include the names of the team members, their respective GSA Schedule contract numbers, and a description of the responsibilities of each team member. Agencies should review CTAs to ensure that the CTAs clearly delineate team member responsibilities and provide for coordination and cooperation between team members, thus diminishing the risk for all parties involved.
8. Who is responsible for crafting the GSA Schedule Contractor Team Arrangement (CTA)?
GSA Schedule contractors are responsible for crafting the CTA document. The government is not involved in this process. When submitting a response to an RFQ, submitting the defined CTA document as part of the response is a best practice aiding both contractors and agency customers.
9. Does GSA approve a GSA Schedule Contractor Team Arrangement (CTA)?
No. The CTA is solely between the team members and cannot conflict with the underlying terms and conditions of each team member's GSA Schedule contract. As part of the review of quotations, however, ordering activities may identify deficiencies in the CTA in order to enhance the probability of successful performance.
10. Will GSA provide a sample GSA Schedule Contractor Team Arrangement (CTA) document?
No. CTA documents are developed by the team members themselves and will vary from one CTA document to another. While not all-inclusive, GSA has developed [Elements of a Contractor Team Arrangement \(CTA\) Document](#), which identifies areas that are typically of interest to the government. GSA strongly encourages the submission of the CTA document in response to a Request for Quotation (RFQ) so that an ordering activity may gain an understanding of how the arrangement will work, and may identify any areas of responsibility that may require clarification.
11. In a GSA Schedule Contractor Team Arrangement (CTA), who bills the customer?
The CTA document should designate who is responsible for invoicing and payment. While the team lead may submit an invoice on behalf of all team members, GSA recommends that payment be made to each team member. GSA recognizes, however, that there may be instances where it is advantageous to craft the CTA document so that payment is made to the team lead who, in turn, pays each team member. Under such circumstances, the CTA document should clearly indicate that all team members agree to this payment arrangement. The CTA document should also acknowledge that any dispute involving the distribution of payment between the team lead and the team members will be resolved *by the team members*, without any involvement by the government.

GSA is in the process of developing a clause in which each team member agrees that payment will be made to the team lead, who will then distribute payment to each team member. The clause will also indicate that each team member agrees that, in the case of a dispute involving the distribution of payment between the team lead and the team members, the dispute will be resolved by the team, not the government.
12. In a GSA Schedule Contractor Team Arrangement (CTA), who is responsible for reporting sales and remitting the Industrial Funding Fee(IFF)?
Each GSA Schedule contractor is responsible for reporting its GSA Schedule contract sales and remitting the appropriate IFF.
13. How does the ordering activity know that all quoted items are on GSA Schedule?

In providing a total solution to an agency's requirement under a Contractor Team Arrangement (CTA), the supplies and services proposed should be identified under each team member's GSA Schedule contract. Any proposed supplies and services that are not part of a GSA Schedule contract (i.e., open market items) may be included only after all applicable acquisition regulations have been followed (see FAR 8.402(f)) and must be clearly labeled as such.

14. What happens in the event of a problem, such as warranty or performance issues?
Since each team member in a GSA Schedule Contractor Team Arrangement (CTA) has a GSA Schedule contract, each team member is held accountable under the terms and conditions of its contract for any problems such as warranty or performance issues. The CTA document should spell out which team member is responsible, at each phase of the project. When conducting past performance evaluations, the ordering activity contracting officer should evaluate each team member accordingly.
15. There is a cost involved for my company to participate in a GSA Schedule Contractor Team Arrangement (CTA). How do I recoup these costs under my GSA Schedule contract?
The CTA document should spell out any costs associated with the arrangement and how they will be allocated among team members. Each team member should consider such costs and compensate accordingly when the team develops its price quotation. The benefits of a CTA may more than compensate for a contractor's costs by expanding the firm's capabilities and broadening its customer base. Please keep in mind that each team member is governed by its own GSA Schedule contract, and that its price quotation cannot exceed the awarded unit prices or hourly rates under the GSA Schedule contract.
16. My team member's unit prices or hourly rates are much higher than mine. Can I charge my team member's prices/rates instead of mine?
No. Each team member's work should be priced in accordance with its own GSA Schedule contract.
17. To whom does the ordering activity communicate in a GSA Schedule Contractor Team Arrangement (CTA)?
Points of contact should be spelled out in the CTA document for the team lead and for each team member.
18. Can team members still use subcontractors, and if so, would the subcontractors be considered team members of the GSA Schedule Contractor Team Arrangement (CTA) if the subcontractors did not hold individual GSA Schedule contracts?
Team members may still use subcontractors as allowed by their GSA Schedule contracts and as may be addressed in the CTA. Those subcontractors, however, would not be considered members of the "team," and the responsibility for the subcontractors would rest with the applicable team member who employs them.
19. Where can I obtain more information regarding Contractor Team Arrangements (CTAs)?
To obtain a wealth of information on CTAs, register at the [FSS Center for Acquisition Excellence](#).